

FISCAL NOTE

SB 3228 - HB 3247

February 20, 1998

SUMMARY OF BILL: Deletes requirement of 2/3 county commission vote on eliminating the Shelby County trustee's 1% commission on receiving and distributing local option sales tax. Current law forbids such 1% commission in Shelby County, but requires a 2/3 vote by the county legislative body to confirm it.

ESTIMATED FISCAL IMPACT:

Decrease Local Govt. Revenues - Exceeds \$1,000,000

Increase Local Govt. Revenues - Exceeds \$1,000,000

The net fiscal impact on local governments from the provisions of this bill is minimal; however, the practical impact is an increase in Memphis revenues exceeding \$1,000,000 and a corresponding decrease in Shelby County revenues. Shelby County does currently withhold the 1% commission before distributing the tax. Any commission on the local option sales tax that the county trustee would have kept will be allocated to the county and the city as all other local option sales tax. For informational purposes, Memphis/Shelby County generated approximately \$220,100,000 in local option sales tax in FY96-97.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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